

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA

)	
In re:)	
)	Case No. 16-10308
OSAGE EXPLORATION AND)	Chapter 11
DEVELOPMENT, INC.,)	
)	
Debtor.)	
)	

NOTICE OF AUCTION RESULT AND REPORT OF SALE

Osage Exploration and Development, Inc., debtor and debtor-in-possession in the above-captioned case (the “Debtor”) hereby files this Notice of Auction Result and Report of Sale, and respectfully states as follows:

1. On March 9, 2016, this Court entered its Order (A) Establishing Bidding Procedures In Connection With the Sale of Substantially All of the Debtor’s Assets (B) Approving the Form and Manner of Notices, (C) Scheduling Dates for an Auction and Sale Hearing, (D) Authorizing and Approving the Form of a Stalking Horse Asset Purchase Agreement; and (E) Approving Procedures to Determine Cure Amounts Related to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases (the “Bidding Procedures Order”) [Dkt. No. 168] establishing, among other things, bidding procedures (the “Bidding Procedures”),¹ attached as **Exhibit 1** to the Bidding Procedures Order, through which the Debtor will determine the highest or otherwise best price for the sale (the “Sale”) of substantially all of its assets.

¹ Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Bidding Procedures.

2. Pursuant to the Bidding Procedures, the Debtor held an auction on March 24, 2016, beginning at 1:00 p.m. prevailing Central Time (the “Auction”). Six Qualified Bidders attended the Auction. *See* **Exhibit 1** (Auction Record).

3. At the conclusion of the Auction, the Debtor, in consultation with the Consultation Parties, identified the \$8,400,000 bid of Red Bluff Resources Operating, LLC (the “Winning Bidder”) as the Winning Bid. *See* **Exhibit 1**. The Debtor, in consultation with the Consultation Parties, identified the \$8,350,000 bid of Black Oak Energy, LLC as the Next Highest Bid. *Id.*

4. After identification and selection of the Winning Bidder, the Debtor and the Winning Bidder executed an Asset Purchase Agreement, a true and correct copy of which is attached hereto as **Exhibit 2**. The Winning Bidder also made the Additional Deposit in accordance with the Bidding Procedures.

5. Objections to the Sale to the Winning Bidder must be filed and served no later than March 28, 2016. The hearing to approve the Sale to the Winning Bidder will be held on March 31, 2016 at 9:30 a.m. prevailing Central Time before the Honorable Sarah A. Hall, in the ninth floor courtroom of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102.

Respectfully Submitted,

s/ John Paul K. Napier

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